

**AGENDA ITEM:** CLSA Interlibrary Loan, Universal Borrowing, Equal Access Programs**GENERAL OVERALL PROGRAM UPDATES:**

**CURRENT STATUS:** CLSA reimbursed loan services continue throughout the state with 177 public libraries participating. The 2001/02 rates, as approved by the State Department of Finance (Exhibit A), are as follows:

\$ 3.87 per eligible Interlibrary Loan  
\$ .73 per net imbalance Direct Loan

Exhibit B is a memo notifying all program participants of the approved reimbursement rate for 2001/02. As you may recall the Department of Finance (DoF) augmented the 2001/02 ILL and Direct Loan program budget to include an increase in the transaction levels as well as the costs based on transaction workloads and Board adopted rates (ILL--\$3.82; DL--\$.73) for fiscal year 1999/2000. The actual rates approved by the Department of Finance for 2001/02 were the rates adopted by the Board in April 2001 and submitted to DoF as part of the Enrollment/Caseload/Population (ECP) process. The Department of Finance, however, did not increase the augmentation to cover the \$.05 increase in the final ILL reimbursement rate.

In August 2001 the State Board took action to implement the pro rating requirement and decided to withhold 5% of each valid claim throughout the course of the fiscal year, paying the remainder due, or a pro rated portion of the remainder due, after the close of the fiscal year.

Final transaction levels for the 2000/01 fiscal year are displayed below. Current projections for 2001/02 are included.

<b>2000/01 LOAN ACTIVITY</b>						
	1 <sup>st</sup> Quarter <u>Actual</u>	2 <sup>nd</sup> Quarter <u>Actual</u>	3 <sup>rd</sup> Quarter <u>Actual</u>	4 <sup>th</sup> Quarter <u>Actual</u>	2000/01 Total <u>Actual</u>	<b>2001/02 Total Projected</b>
ILL Reimbursable						
Transactions – Public	263,341	253,176	297,065	314,424	1,128,006	<b>1,174,271</b>
– Non-Public	-----	-----	-----	-----	-----	<b>43,194</b>
Direct Loans:						
Total	5,777,044	6,414,415	6,286,508	6,869,798	25,347,765	<b>26,108,200</b>
Direct Loans:						
Net Imbalance	2,355,115	2,583,801	2,588,599	2,769,071	10,296,586	<b>10,538,000</b>

First quarter transaction levels for public library loans are comparable to last quarter's claims. Seventy-nine nonpublic libraries reported loans to public libraries in the first quarter of 2001/02 for a total of 11,591 loans.

Based on current projections of transactions for the 2001/02 fiscal year and the reimbursement rates of \$3.87 for ILL and \$.73 for Direct Loan, the full State cost of the CLSA loan program for fiscal year 2001/02 is estimated to be as follows:

Eligible Public Library Interlibrary Loans	1,174,271 @ \$3.87 = \$4,544,429
Eligible Nonpublic Library Interlibrary Loans	43,194 @ \$3.87 = \$ 167,161
Net Imbalance Direct Loans	10,538,000 @ \$.73 = \$7,692,740
Estimated Total Program Cost	= \$12,404,330
2001/02 State Appropriation	= \$12,145,000
ILL and Direct Loan Program Shortfall	= \$ 259,330

If projected transaction levels are actually realized the 2001/02 CLSA ILL and Direct Loan program appropriation would fall short of being sufficient to pay the full reimbursable cost of the program by an estimated \$259,330, or about 2.1% of the estimated total program cost.

If there is a sudden increase in transaction levels, staff may need to go back to the Board and recommend withholding an additional percentage so that a budget shortfall doesn't occur.

**RELATED ISSUES TO COME BEFORE THE BOARD IN THE FUTURE:** Updates on actual and estimated 2001/02 transaction levels and program costs.

Relevant Committee: Access Services  
Staff Liaison: Sandy Habbestad